

**STATEMENT OF PROCEEDINGS FOR THE SPECIAL MEETING OF THE
CITY OF INGLEWOOD FORMER REDEVELOPMENT AGENCY OVERSIGHT BOARD**

**CITY OF INGLEWOOD
COUNCIL CHAMBERS
ONE MANCHESTER BOULEVARD
INGLEWOOD, CALIFORNIA 90301**

Wednesday, June 20, 2012

6:00 PM

AUDIO LINK FOR THE ENTIRE MEETING. (12-3323)

Attachments: [Audio](#)

OPENING CEREMONIES - 6:00 P.M.

Call to Order

Chair James T. Butts, Jr., called the meeting to order at 6:03 p.m.

Pledge of Allegiance

The Pledge of Allegiance was led by Chair Butts, Jr.

Roll Call

Present: Chair James T. Butts, Jr., Vice Chair Michael Banner, Board Member Joseph T. Rouzan Jr., Glenston Thompson, Board Member Jo Ann Higdon and Board Member Margarita Cruz

Absent: Board Member Carolyn M. Hull

PUBLIC COMMENTS REGARDING AGENDA ITEMS

Persons wishing to address the Oversight Board on any item on today's agenda may do so at this time.

A member of the public addressed the Oversight Board regarding the Council not giving the community sufficient time to review the supporting documentation prior to the meeting; and information about the former RDA's activities prior to dissolution.

REVIEW AND APPROVE

1. Approval of minutes for the Special Meetings of May 10, 2012 and May 17, 2012. (12-2820)

On motion of Chair Butts, Jr., second by Board Member Rouzan, duly carried by the following vote, the Oversight Board approved the May 10, 2012 and May 17, 2012 Minutes:

Ayes: 6 - Chair Butts, Jr., Vice-Chair Banner, Board Member Rouzan Jr., Board Member Thompson, Board Member Higdon Board Member Cruz

Absent: 1 - Board Member Hull

Attachments: [Minutes for the meeting of May 10, 2012](#)
[Minutes for the Special Meeting of May 17, 2012](#)

REPORTS

1. Status report on the Department of Finance response to the Former Agency's Recognized Obligation Payment Schedule (ROPS) for the period of January 1, 2012 through June 30, 2012 and July 1, 2012 through December 31, 2012. (12-3395)

Board Member Cruz, Oversight Board designated contact person for the Department of Finance (DOF), presented an oral report pertaining to the status of ROPS submitted for DOF's review and approval. Board Member Cruz informed the Oversight Board that the ROPS have been approved with the exception of the following Line Items:

January through June 2012 ROPS

Line Item No. 9 - Hollywood Park, \$21.9 million there are no signed expenditure contracts. Pursuant to Health and Safety Code Section 34163 (b) prohibits a RDA from entering into a contract with any entity after June 27, 2011.

July through December 2012 ROPS

Line Item No. 8 - Hollywood Park, \$21.9 million there are no signed expenditure contracts. Pursuant to Health and Safety Code Section 34163 (b) prohibits a RDA from entering into a contract with any entity after June 27, 2011.

Board Member Cruz further informed the Oversight Board that one Line Item, which consists of the Hollywood Park, Housing Projects, the Senior Center, and the Century Boulevard reconstruction where funded by \$3.9 million Bond Funds.

By Common Consent, there being no objection (Board Member Hull being absent), the Oversight Board accepted Board Member Cruz's report.

- 2. Report by the Successor Agency Counsel of the role of the Oversight Board. (12-3393)**

Royce Jones, Successor Agency Counsel, presented a brief verbal report on the Role of the Oversight Board in relation to the 'winding down' of the former RDA.

Mr. Jones provided the Oversight Board with the basic requirements under ABX1 26, and stated that the Oversight Board serves in a more supervisory capacity, by monitoring and reviewing the Successor Agency's disposition of assets of the former RDA. He further stated that the Oversight Board has a fiduciary duty to protect the interest of the holders of the enforceable obligations and of the taxing entities. Mr. Jones concluded by informing the Oversight Board that specific duties of the Oversight Board can be found in Health & Safety Code, Sections 34180, which details various approval rights of the Oversight Board; and 34181, which details various actions the Oversight Board can require from the Successor Agency.

By Common Consent, there being no objection (Board Member Hull being absent), the Oversight Board accepted Mr. Jones' report.

- 3. Report on cash flow of Agency funds, taxable, bonds, and housing set aside. (12-3394)**

By Common Consent, there being no objection (Board Member Hull being absent), the Board tabled this Item until after the discussion of Agenda Item No. 4 - Status on encumbered and unencumbered funds of the former Agency.

Following discussion of Agenda Item No. 4, Diane Hadland, Successor Agency Financial Consultant, presented a verbal report and discussed with the Oversight Board the Cash Flow report handout, with three separate tables and fund balances, which represented three separate sources of funding for the Successor Agency, and the different restrictions on each:

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- **Tax Increment Revenue – Table 1.1:** Includes any kind of Land Sale proceeds or any type of Revenue the Agency received; the least restricted type of revenue, and the source of its funding is now the (RPTTF) Redevelopment Property Tax Trust Fund.
 - **Non-Housing Bond Funds - Table 1.2:** Funds are from 2007 Bond Issuances that have not yet been expended
 - **Housing Funds – Table 1.3:** Funds are Sub-Separated: a) Non-Bond Housing Funds and b) Housing Bond Funds.

Vice-Chair Banner requested clarification in regards to the transfer of \$2.5 million from cash on hand, stating a table that balances can be targeted as resources available for expenditures, so how does the Successor Agency manage the reserves or control its expenditures to avoid transferring out. Ms. Hadland replied that once they enter into July 2012, moving forward, there is very little in the way of expenditures that are required, other than Bond Debt Service, Pass-Through payments and approved Projects.

In response to Board Member Thompson's, question, where can details of Pass-Through Payments be found? Ms. Hadland responded that the Successor Agency has three different Pass-Through Payments, and twice a year the County of Los Angeles will distribute funds straight to the taxing entities. The Oversight Board should receive a copy of what was paid to the different School Districts; and there have been no changes or anything new in the Pass-Through payments.

Royce Jones, Successor Agency Legal Counsel, stated that there is a statutory formula by which the Pass-Through Payments are made, and if the Oversight Board would like, he would provide a copy of that statute that presents the information in percentages. Mr. Jones also stated, in response to Board Member Higdon's request for a listing of the agreements between the former RDA and taxing agencies not set aside, that these agreements were called Pass-Through Payments, and he would be able to get that information for the Oversight Board.

In response to Board Member Thompson's question of any Outstanding Bonds targeted for refunding, Ms. Hadland stated ABX1 26 does not allow the Successor Agency to refund bonds, pledge revenues, or make an obligation. If future legislation is introduced to allow such refunds, the Successor Agency will pursue.

In response to Board Member Higdon's inquiry about timelines to expenditures in regards to the 2007 Taxable Housing Bonds, Board Member Cruz stated in working with the Bond Lawyer and Financial Advisor, some of the Tax Exempt Bonds had been expended and used the Encumbered Program for the remaining Tax Exempt Bonds, to help with the development of the Senior Center and the reconstruction of Century Boulevard.

Sharon Koike, Interim Finance Director, City of Inglewood, responded to Board Member Higdon's request for a copy of required tax forms to be filed every five (5) years; and stated that the RDA has Bond Legalistic on contract to prepare their calculations every year. Ms. Koike stated that she will provide the Oversight Board with a copy, adding that with low interest rates, there is not an issue of having a rebate due back from Internal Revenue Service.

Ms. Koike also stated that the Successor Agency is currently using the same Bond Counsel and Financial Advisor because they were the individuals used in the original Bond transaction, but the Successor Agency has not engaged in any contract with the current Bond Counsel; and will follow up with them to provide the Oversight Board with any requested documentation.

In response to Chair Butts, Jr., inquiry about the status of the Successor Agency's Financial Statements, Ms. Koike stated that the former RDA audits are in draft until presented to the City Council. Once the City Council receives and goes through the appropriate legislation, the City can present the Audit for public distribution, and anticipate the Financial Statements to go before the City Council sometime in July 2012.

By Common Consent, there being no objection (Board Member Hull being absent), the Oversight Board accepted Ms. Hadland, Mr. Jones, and Ms. Koike report.

- 4. Status on encumbered and unencumbered funds of the Former Agency. (12-3541)**

Royce Jones, Successor Agency Legal Counsel, presented a brief verbal report and responded to questions posed by the Oversight Board.

Mr. Jones informed the Oversight Board, as a result of the Cooperation Agreement entered into by the City of Inglewood (City) and the former RDA, there were no unencumbered funds. Mr. Jones further informed the Oversight Board that the activities and

obligations of the former RDA were assigned to the City, along with the funds necessary to carry out specific project responsibilities. He further stated that the encumbered funds were included as part of the Cooperation Agreement along with a listing identifying each project the City has agreed to take on. Royce Jones, Successor Agency Legal Counsel, added that the Inglewood Housing Authority became the Successor Agency for the purpose of carrying out the Affordable Housing Obligations of the Former RDA, which is why the Corporation Agreement was established with the City assigning Affordable Housing Obligations to the Inglewood Housing Authority, which is a provision under ABX1 26.

In response to Board Member Higdon's request for an overview and understanding of the approximate dollar amount that the City of Inglewood agreed to take over under Housing Authority Low and Moderate Set Aside, Chair Butts, Jr., suggested and directed Ms. Diane Hadland, Successor Agency Financial Consultant, to begin discussion on Agenda Item No. 3, "Report on cash flow of Agency funds, taxable, bonds and housing set aside item."

PUBLIC COMMENTS REGARDING OTHER MATTERS

Persons wishing to address the Oversight Board on any other matter not elsewhere considered on this agenda may do so at this time. (12-2885)

A member of the public addressed the Oversight Board.

OVERSIGHT BOARD MEMBER REMARKS

There were no Oversight Board Member remarks taken.

ADJOURNMENT

The Special Meeting adjourned at 7:17 p.m. The next regular meeting is scheduled for Thursday, July 19, 2012 at 6:00 p.m.